

PURCHASING AND LICENSING COMMITTEE

10-0018R

RESOLUTION AUTHORIZING LEASE AGREEMENT WITH NELSON & COMPANY, INC., FOR LEASING OF ENDION STATION.

CITY PROPOSAL:

RESOLVED, that the proper city officers are hereby authorized to enter into a lease agreement, substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with Nelson & Company, Inc., for the leasing of the Endion Station building for the operation of an advertising agency that provides strategic planning to clients for marketing and advertising, rents payable therefor being paid to the city's general fund under General Fund 110, Department 121, Organization 1217-2120, Revenue Source 4623.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize execution of a lease agreement with Nelson & Company, Inc., (lessee) to operate an advertising agency that provides strategic planning to clients for marketing and advertising.

The Endion Station has been vacant since June. Staff sent out RFPs and lessee was one of two parties responding. An internal selection committee selected lessee as the tenant.

Under the lease, lessee has use of the entire building and eight parking spaces. The monthly rental is \$1,550 per month with a rent payment beginning March 1, 2010, and the term of the lease is for three years. Upon written request, this lease can be extended for up to two additional years. The lease agreement does not include a rate adjustment due to the fact that effective 2011, lessee will be responsible for real estate taxes that are estimated at between \$8,000 and \$10,000 annually. Additionally, the lease allows the city's property manager to reduce the monthly rental rate up to 50 percent during times when the lessee's business is negatively impacted by the construction of the overflow storage tank to be constructed at overflow Point No. 176 (Endion Lift Station) as further described in the consent decree.